

MAYOR JERRY SANDERS, CITY OF SAN DIEGO



Fiscal Year 2011-2015 Five-Year Financial Outlook

October 1, 2009



2011-2015 Five-Year Financial Outlook

\$179.1 million projected deficit for FY 2011

Revenue Assumptions

- Negative to conservative revenue growth
- No tax increases
- Includes no changes in State funding levels – assumes Prop 1A will be securitized

Expenditure Assumptions

- No pay raises for City employees
- Funding additional operating costs for new facilities under construction (Park & Rec., Fire Facility)
- Modest growth in costs for supplies, utilities, and other City non-labor expenses
- Funding for priority areas

Change from FY 2010 Adopted Budget
(\$ in millions)



Revenue Change	\$	(67)
Pension Payment	\$	57
McGuigan Settlement		32
City Hall Fire Sprinkler System		6
Various Reserves		16
Deferred Maintenance Debt Service		5
Net Other Savings		(4)
Expense Change	\$	112
Total Change	\$	(179)



Funding the Eight Significant Areas

(\$ in millions)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
	Budget	Projected	Projected	Projected	Projected	Projected
ARC	\$125.3	\$182.0	\$203.1	\$222.6	\$240.5	\$257.5
General Fund Reserves	-	\$4.2	\$7.9	\$2.5	\$2.5	\$3.2
Deferred Maintenance Debt Service	\$4.9	\$9.5	\$18.7	\$18.7	\$27.9	\$27.9
OPEB	\$39.8	\$43.2	\$46.8	\$50.4	\$54.2	\$57.8
Storm Water Runoff Compliance	\$37.7	\$37.7	\$37.7	\$37.7	\$37.7	\$37.7
ADA Compliance ¹	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
Workers' Compensation Fund	\$4.0	\$8.1	\$5.9	\$8.3	\$9.5	-
Public Liability Fund	\$7.1	\$15.2	\$12.9	\$12.9	\$6.5	-
TOTAL	\$218.8	\$299.9	\$333.0	\$353.1	\$378.8	\$384.1
Financed Capital Projects ²	-	\$110.1	-	\$110.1	-	-

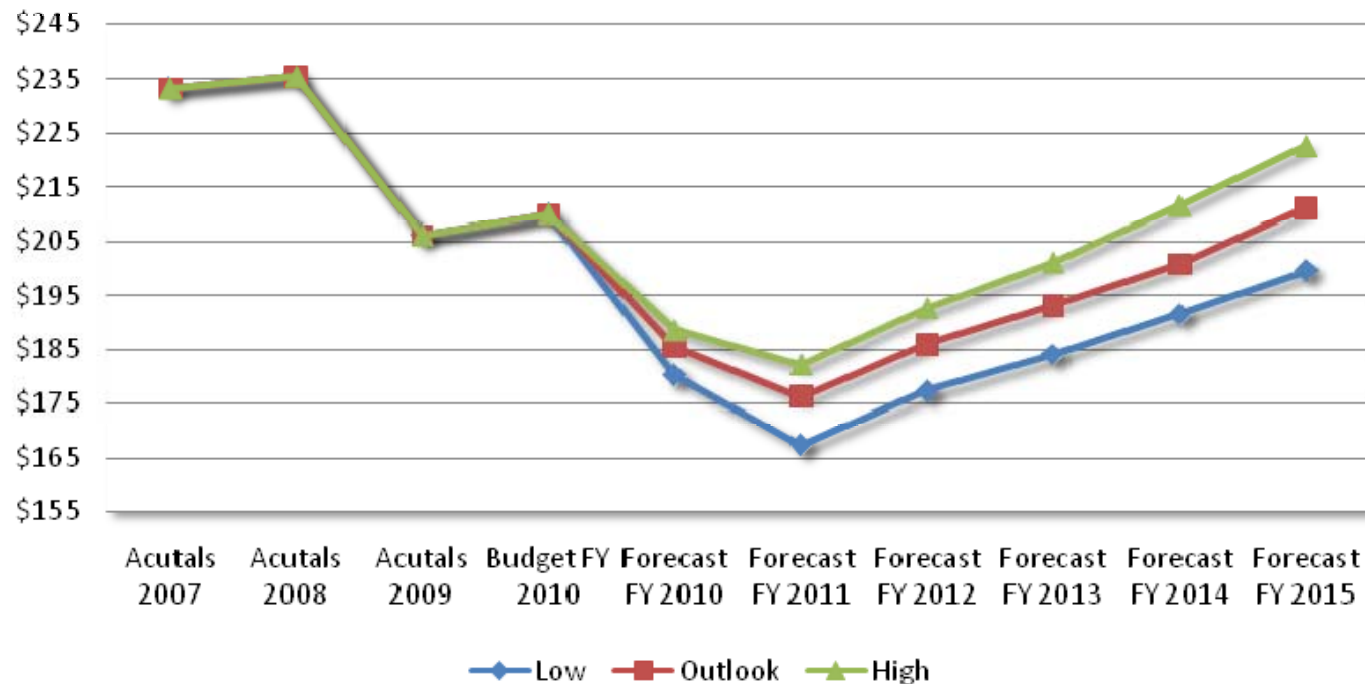
¹ ADA compliance is a non-General Fund expenditure and is not included in the "Total" line

² Deferred maintenance bonds will be issued in these fiscal years



SALES TAX REVENUE FORECAST (\$ in millions)

FY 2011 projected revenue of \$176.3 million represents a decline of \$57.1 million or 24.5% in revenue from FY 2007 actual revenue of \$233.4 million

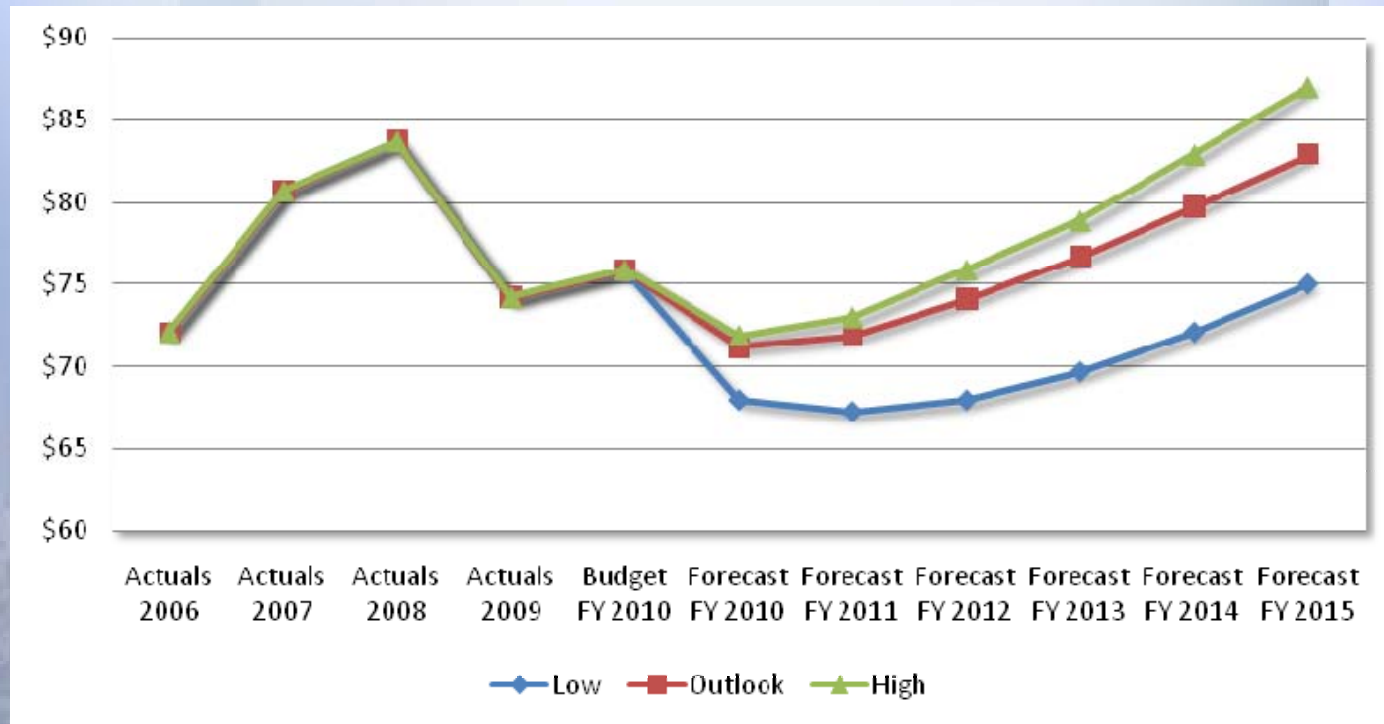


UNAUDITED ACTUALS 2009	BUDGET 2010	FORECAST 2010	FORECAST 2011	FORECAST 2012	FORECAST 2013	FORECAST 2014	FORECAST 2015
\$206.2	\$210.1	\$185.4	\$176.3	\$186.0	\$193.2	\$200.8	\$211.2
-	-	-	-4.9% growth	5.5% growth	3.9% growth	3.9% growth	5.2% growth

*FY 2009 actual receipts are unaudited



TRANSIENT OCCUPANCY TAX REVENUE FORECAST (\$ in millions)

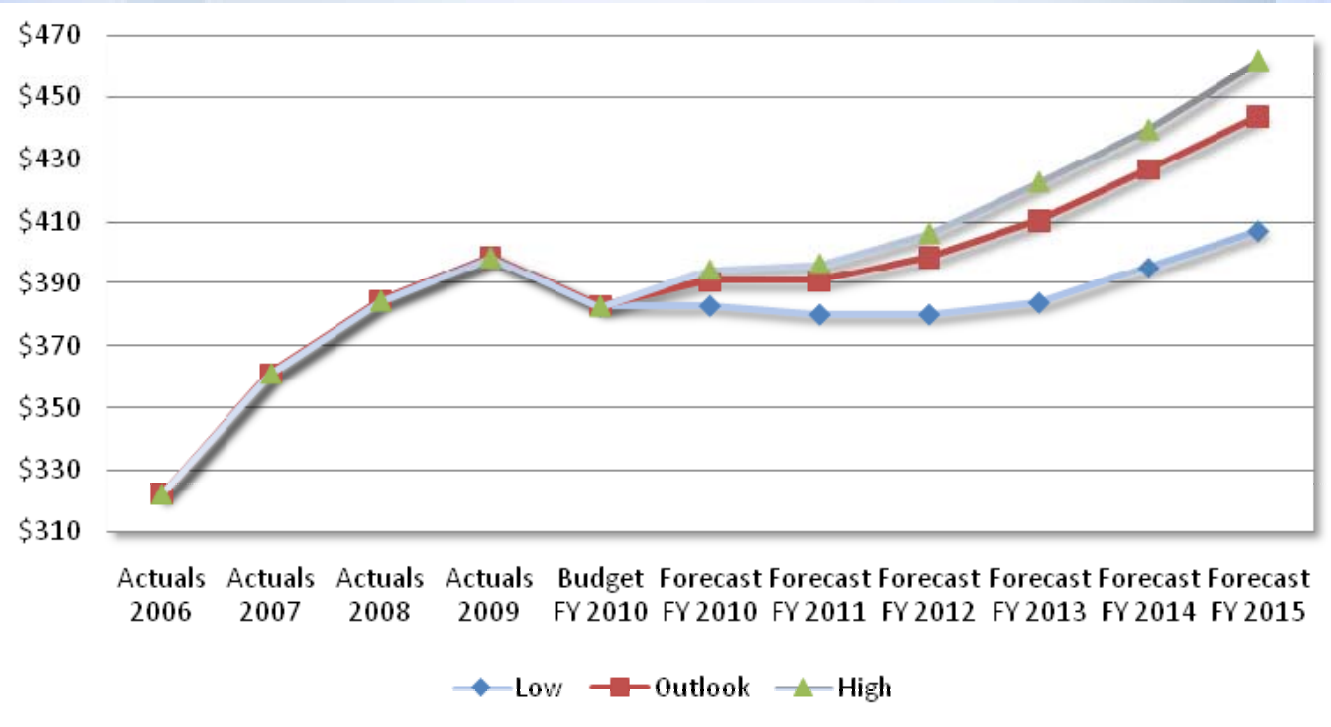


UNAUDITED ACTUALS 2009	BUDGET 2010	FORECAST 2010	FORECAST 2011	FORECAST 2012	FORECAST 2013	FORECAST 2014	FORECAST 2015
\$74.2	\$75.9	\$71.2	\$71.9	\$74.1	\$76.7	\$79.7	\$82.9
-	-	-	1.0% growth	3.0% growth	3.5% growth	4.0% growth	4.0% growth

*FY'09 actual receipts are unaudited



PROPERTY TAX REVENUE FORECAST (\$ in millions)



UNAUDITED ACTUALS 2009	BUDGET 2010	FORECAST 2010	FORECAST 2011	FORECAST 2012	FORECAST 2013	FORECAST 2014	FORECAST 2015
\$398.7	\$382.6	\$391.6	\$391.6	\$399.4	\$411.4	\$427.8	\$444.9
-	-	-	0.0% growth	2.0% growth	3.0% growth	4.0% growth	4.0% growth

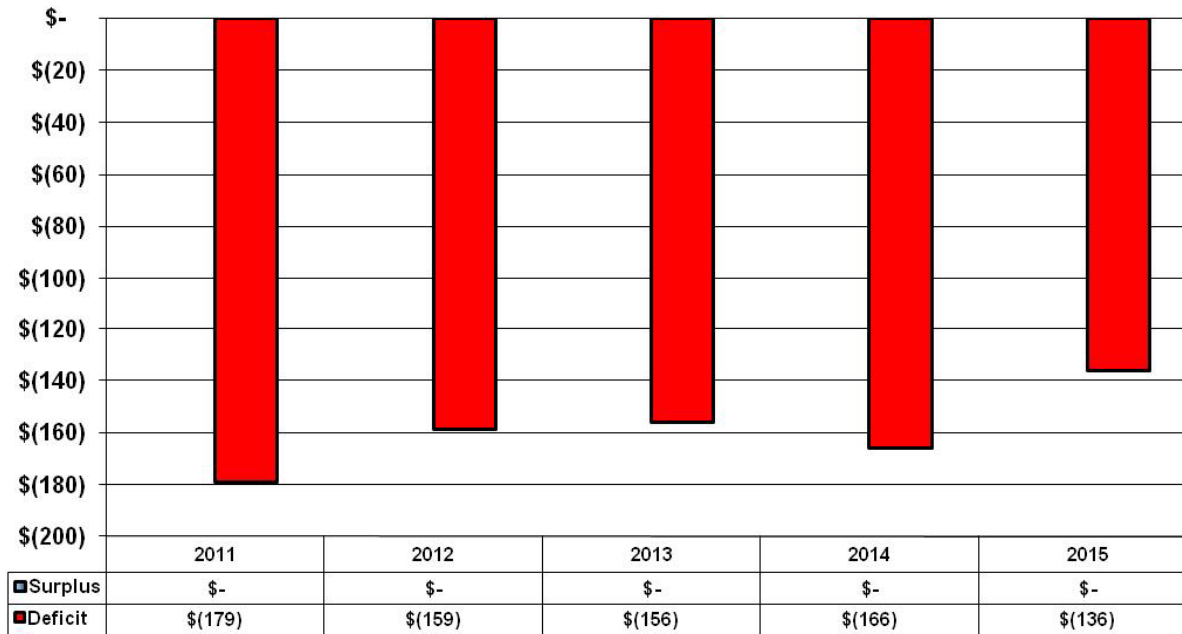
*FY 2009 actual receipts are unaudited



FY 2011 – 2015 PROJECTED SHORTFALL

	Forecast FY 2011	Forecast FY 2012	Forecast FY 2013	Forecast FY 2014	Forecast FY 2015
Projected Revenues	\$ 1,061.6	\$ 1,094.1	\$ 1,125.4	\$ 1,156.8	\$ 1,196.6
Projected Expenditures	\$ 1,240.7	\$ 1,253.0	\$ 1,281.4	\$ 1,322.7	\$ 1,333.0
Forecasted Shortfall	\$ (179.1)	\$ (158.8)	\$ (155.9)	\$ (165.9)	\$ (136.5)

ANNUAL OPERATING SURPLUS / (DEFICIT)



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